

## Message Text

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ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 R

DRAFTED BY NEA/EGY:GRBEYER:SEB

APPROVED BY P - MR. HABIB

L - MR. ALDRICH (DRAFT)

NEA MR. DAY

L/NEA - MR. SMALL (DRAFT)

S/S:MR. SEBASTIAN

----- 048419

O 082130Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO IMMEDIATE

INFO AMEMBASSY TEL AVIV IMMEDIATE

S E C R E T STATE 298688

EXDIS

E.O. 11652: GDS

TAGS: ENRG PFOR EG IS US

SUBJECT: MEETING WITH AMOCO EXECUTIVE VICE PRESIDENT MEEKER

1. JOHN MEEKER, EXECUTIVE VICE PRESIDENT, AMOCO, ACCOMPANIED BY HIS EXPLORATION MANAGER DALTON AND ATTORNEY JAMES, CALLED ON HABIB AND KEY AIDES DECEMBER 3 TO DISCUSS THE DIFFICULTIES AMOCO IS ENCOUNTERING IN DEVELOPING ITS OIL CONCESSIONS IN THE GULF OF SUEZ AND SPECIFICALLY ITS CONCERN AT THE ERECTION OF AN ISRAELI DRILLING RIG IN BLOCK 305, AN AREA UNDER CONCESSION TO AMOCO.

2. MEEKER ASKED HABIB TO BRING HIM UP TO DATE ON OUR UNDERSTANDING OF ISRAELI ACTIVITIES IN THE GULF AND OUR EFFORTS TO FACILITATE A RESOLUTION OF THESE PROBLEMS. MR. HABIB REPLIED THAT AMOCO WAS AWARE THAT WE BELIEVE THE OIL EXPLORATION CONCESSIONS GRANTED AMOCO BY EGYPT ARE LEGALLY VALID. WE HAVE MADE NUMEROUS REPRESENTATIONS TO THE ISRAELIS OPPOSING ISRAELI EXPLORATION ACTIVITIES IN CONCESSIONS

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GRANTED BY EGYPT TO AMOCO. AS MEEKER IS AWARE, WE ARE ALSO

INVOLVED IN MAKING REPRESENTATIONS TO ISRAEL AND EGYPT IN AN EFFORT TO PERMIT AMOCO TO WORK AT SITE 304.1. THESE EXCHANGES ARE STILL NOT COMPLETED. HABIB NOTED THAT AMOCO HAS BEEN VERY COOPERATIVE AND THAT THIS IS APPRECIATED. THIS RESTRAINT HAS SO FAR NOT

PREVENTED AMOCO FROM MAINTAINING,  
----- BY AND LARGE, ITS WORK PROGRAM. MEEKER CONFIRMED THAT THIS WAS SO AND THAT THERE WERE STILL AREAS FOR PROFITABLE WORK BY AMOCO THAT WERE ALSO WEST OF THE SO-CALLED ISRAELI MEDIAN LINE. HABIB NOTED FINALLY THAT IT WAS APPARENT TO ALL THAT, FRANKLY, THIS IS A PROTRACTED PROBLEM. AMOCO'S DIFFICULTIES IN WORKING ITS GULF CONCESSIONS ARE LIKELY NOT TO BE COMPLETELY RESOLVED EXCEPT IN TERMS OF A MIDDLE EAST SETTLEMENT. DAY ADDED THAT IT WAS HOPED THAT AMOCO WOULD SOON BE ABLE TO RETURN TO SITE 304.1. HABIB COMMENTED THAT AMOCO OFFICIALS ARE CERTAINLY AWARE FROM READING THE PRESS THAT THE ARAB STATES ARE LOOKING FOR EARLY NEGOTIATIONS WITH ISRAEL AND THAT WE ARE THEREFORE LOOKING TO 1977 TO BE A YEAR OF MOVEMENT IN THE PEACE PROCESS.

3. IN RESPONSE, MEEKER REITERATED THAT AMOCO IS NOT RUNNING OUT OF PROGRAMS OR THINGS TO DO IN ITS CONCESSIONS IN THE WESTERN PORTION OF THE GULF. AMOCO IS CONCERNED, HOWEVER, BY TWO POSSIBILITIES: SHOULD EGYPT LOSE PATIENCE, IT MIGHT ASK AMOCO TO MOVE BACK INTO SITE 304.1 OR EGYPT MAY TAKE ACTION ON ITS OWN, ESPECIALLY IF ISRAEL BEGINS TO DRILL INTO AMOCO'S PRODUCING FIELDS IN THE GULF. IN EITHER CASE, THE RESULT COULD BE DANGEROUS TO LIVES AND PROPERTY. MEEKER AT THAT POINT HANDED OUT A PICTURE OF THE ISRAELI DRILL RIG NOW SET UP IN BLOCK 305.

4. IN THE DISCUSSION THAT FOLLOWED, AMOCO OFFICIALS MADE THE FOLLOWING POINTS:

(A) ACTIVITIES BY OTHER COMPANIES: JAMES SAID THERE ARE AN INCREASING NUMBER OF REPORTS OF ACTIVITIES BY AMERICAN COMPANIES IN CONTRACT WITH THE ISRAELI NATIONAL OIL CORPORATION (INOC). WESTERN DESERTS INCORPORATED, A PANAMANIAN  
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COMPANY OWNED BY AN AMERICAN FAMILY NAMED MONCRIEF, HAS REPORTEDLY BEEN IN TOUCH WITH A SMALL MICHIGAN COMPANY, CHASE RESOURCES CORPORATION, (OWNED BY MCLURE), TO DEVELOP CONCESSIONS IN THE GULF WITH INOC. THERE IS ALSO TALK OF MONCRIEF INTERESTS SEEKING TO ESTABLISH OPERATIONS IN THE SOUTH GHARA AREA.

(B) LEGAL OPTIONS: JAMES SAID AMOCO IS CONSIDERING FILING

SUIT AGAINST AMERICAN COMPANIES INVOLVED WITH INOC THAT SEEK TO OPERATE IN AMOCO CONCESSIONS IN THE GULF. IT WOULD BE OF SUBSTANTIAL HELP TO AMOCO'S CASE IF THE DEPARTMENT WERE TO INFORM THESE AMERICAN COMPANIES OF OUR LEGAL VIEW. IN THIS REGARD, JAMES ASKED IF WE HAD GIVEN TO THE ISRAELI GOVERNMENT A LEGAL MEMORANDUM OF OUR POSITION CONCERNING AMOCO'S CONCESSIONS IN THE GULF AND ISRAELI ACTIVITIES

THERE. LEIGH AND DAY REPLIED THAT WE HAVE EXPLAINED IN CONSIDERABLE DETAIL OUR LEGAL POSITION TO THE ISRAELIS AND WE HAVE NO DOUBT THAT THEY UNDERSTAND IT. WE HAVE NOT TO DATE, HOWEVER, LEFT WITH THEM A LEGAL MEMORANDUM, WHICH WE HAVE PREPARED ON THIS SUBJECT. WE ARE LOOKING FOR THE BEST OCCASION TO DO SO. JAMES COMMENTED THAT IT WOULD HELP AMOCO'S CASE IN COURT IF WE HAVE GIVEN THE ISRAELIS SUCH A MEMORANDUM. FURTHER, IT WOULD HELP AMOCO IF WE WERE PREPARED TO MAKE OUR VIEWS KNOWN IN ANY AMOCO SUIT AS A FRIEND OF THE COURT. IT WAS AGREED THAT WE WOULD CONTINUE, AS IN THE PAST, TO INFORM COMPANIES THAT ASKED US OF OUR LEGAL VIEW ON THE VALIDITY OF AMOCO'S CONCESSIONS IN THE GULF. AMOCO ALSO PRESENTED TO US PAPERS FILED BY MONCRIEF AND MCLURE IN A COURT SUIT ARISING OUT OF A DISPUTE OVER THEIR GULF OF SUEZ AGREEMENTS.

(C) NEW PLATFORM PROPOSED FOR RAMADAN FIELD EAST OF MEDIAN LINE: MEEKER SAID AMOCO WOULD LIKE AT SOME TIME IN THE FUTURE TO PLACE AN OPERATIONS PLATFORM IN THE RAMADAN FIELD AT A SITE EAST OF THE MEDIAN LINE. WHEN QUESTIONED, HE CONFIRMED HE WAS NOT TALKING ABOUT THE DRILL RIG AT SITE 304.1, BUT A PRODUCTION PLATFORM WHICH WOULD ALSO BE EAST OF THE MEDIAN LINE.

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(D) SITE 304.1: MEEKER SAID IT WOULD BE MOST HELPFUL TO HAVE A DECISION WITHIN WEEKS ON WHETHER AMOCO COULD RETURN TO SITE 304.1.

(E) HARASSMENT OF SEISMIC VESSEL: DALTON SAID HE HAD A REPORT ON TUESDAY OF THIS WEEK (NOVEMBER 30) THAT THE AMOCO SEISMIC VESSEL OPERATING IN THE SOUTHERN PORTION OF THE GULF HAD BEEN HARASSED BY THE ISRAELIS. AS A RESULT, THE SEISMIC VESSEL HAD SHORTENED ITS LINES IN ORDER TO PERMIT KEEPING THE VESSEL'S TURNS WITHIN THE WESTERN PORTION OF THE GULF. AFTER THE MEETING DALTON SAID HE WOULD GIVE US MORE INFORMATION ON THE DETAILS OF THIS ISRAELI HARASSMENT.

5. HABIB CLOSED THE MEETING BY ASSURING MEEKER THAT

WE WOULD KEEP IN TOUCH WITH AMOCO ON THE SITUATION.  
MEEKER EXPRESSED HIS APPRECIATION FOR THE DEPARTMENT'S  
CONTINUED COOPERATION AND ASSISTANCE TO AMOCO IN THIS  
MATTER. ROBINSON

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